

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

-----X		
	:	
UNITED STATES SECURITIES AND	:	
EXCHANGE COMMISSION,	:	18 Civ. 08803 (LGS)
	:	
Plaintiff,	:	
	:	<u>ORDER</u>
	:	
-against-	:	
	:	
WILLIAM C. SKELLEY, <i>et al.</i> ,	:	
	:	
Defendants.	:	
-----X		

LORNA G. SCHOFIELD, District Judge:

WHEREAS, by the Default Judgment Order dated July 8, 2019, Plaintiff was granted judgment against Defendant William C. Skelley, and Plaintiff's request "for disgorgement, prejudgment interest and a civil penalty" was referred to Magistrate Judge Debra Freeman for a post-default judgment inquest (Dkt. Nos. 58 & 59);

WHEREAS, on February 25, 2021, Judge Freeman issued a Report and Recommendation (the "Report"), recommending that Plaintiff be awarded: (1) \$1,073,746.65 in disgorgement of Defendant Skelley's ill-gotten gains; (2) \$184,655.27 of prejudgment interest on the ill-gotten gains covering December 31, 2013, to May 31, 2019, plus an additional amount to be calculated by the Clerk of Court, at the IRS underpayment rate (as set out in 26 U.S.C. § 6621(a)(2)), on the total amount of \$1,258,401.92, compounded quarterly, from June 1, 2019, to the date of entry of judgment; and (3) \$1,073,746.65 of third-tier civil penalties (Dkt. No. 66). On February 26, 2021, a copy of the Report was e-mailed to Defendant Skelley by Plaintiff (Dkt. No. 67);

WHEREAS, as stated in Judge Freeman's Report, the deadline for any objections was fourteen days from service of the Report;

WHEREAS, no objections were timely filed;

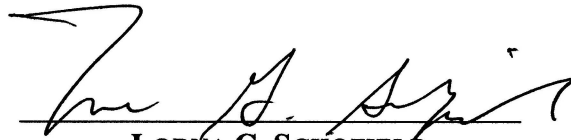
WHEREAS, in reviewing a Magistrate Judge's report and recommendation, a District Judge "may accept, reject, or modify, in whole or in part, the findings or recommendations made by the magistrate judge." 28 U.S.C. § 636(b)(1)(C). "When no timely objection is filed, the court need only satisfy itself that there is no clear error on the face of the record in order to accept the recommendation." Fed. R. Civ. P. 72(b) Advisory Committee Notes; *accord Niles v. O'Donnell*, No. 17 Civ. 1437, 2019 WL 1409443, at *1 (S.D.N.Y. Mar. 28, 2019);

WHEREAS, the Court finds no clear error on the face of the record as to the recommendation of disgorgement, pre-judgment interest and civil penalties. It is hereby

ORDERED that the Report is ADOPTED. Plaintiff shall be awarded (1) \$1,073,746.65 in disgorgement of Defendant Skelley's ill-gotten gains; (2) \$184,655.27 of prejudgment interest on the ill-gotten gains covering December 31, 2013, to May 31, 2019, plus \$103,363.71 of prejudgment interest on the total amount of \$1,258,401.92 covering June 1, 2019, to the date of entry of judgment; and (3) \$1,073,746.65 of third-tier civil penalties. Per the Default Judgment Order, Defendant shall satisfy this obligation by paying these amounts to Plaintiff within fourteen days after entry of this Order. Plaintiff may enforce this judgment by moving for civil contempt (and/or through other collection procedures authorized by law) at any time after fourteen days following entry of this Order. Defendant shall pay post-judgment interest on any delinquent amounts pursuant to 28 U.S.C. § 1961.

The Clerk of Court is respectfully requested to enter judgment and to close the case.

Dated: March 26, 2021
New York, New York



LORNA G. SCHOFIELD
UNITED STATES DISTRICT JUDGE